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SUBJECT: S/I SATTERFIELD DISCUSSES IRAQ WITH FRENCH
OFFICIALS, 14-15 FEBRUARY 2008

Classified By: Political Minister Counselor Josiah Rosenblatt for reasons 1.4. (b), (d).

¶1. (C) Summary: S/I Satterfield discussed Iraq at the French Presidency and the MFA February 14 and 15. The French provided their formal response to the paper Satterfield had presented at the end of December. In addition to briefing the French on our view of the situation in Iraq, Satterfield asked for confirmation of the French decision not to host the next meeting on the Iraq Compact. Diplomatic adviser to the French president Levitte said the GOF had decided not to host the Compact meeting because of the press of other commitments (notably the Afghan donors conference and an expected announcement of French reinforcements in Afghanistan) and concern that hosting the Compact could heighten hitherto minimal domestic criticism of French foreign policy. French FM Kouchner's adviser for conflict and crises, Eric Chevallier, on February 15 offered to raise the issue one more time with Kouchner, but he was not optimistic the GOF would change its mind. (Chevallier later reported back that Kouchner was not prepared to re-open the question.) In addition to encouraging France to use its upcoming EU presidency to engage with Iraq's neighbors, Satterfield presented our view that the French proposal to host a national reconciliation conference was less pressing given recent progress among Iraqi leaders to work together on key legislation. The conversations underscored French concerns about Iran's role in Iraq and a continuing negative view within the Quai of the worth of international efforts to promote Iraqi reconstruction. End summary

¶2. (C) S/I Satterfield met with French Presidency Diplomatic adviser Jean-David Levitte and MFA officials February 14 and 15, primarily to discuss the situation in Iraq and the USG's desire that France play a more active role in Iraq's reconstruction. In all his meetings, Satterfield made the following core points:

--Our overall message is a positive one.

--There has been tremendous progress on nearly all the security fronts, and al-Qa'ida in Iraq increasingly constrained in terms of where it can operate and the tactics it can employ. It cannot, for example, operate as effectively in Baghdad and has been largely pushed northward into Kurdish areas. Using women to carry out suicide bomb operations has underscored al-Qa'ida's desperation.

--Similarly, the threat posed by the Jaysh al-Mahdi has eased partly because of splits within the movement. Some followers have moved toward the GOI and us while others have become more radical and moved closer to the IRGC and Iran.

--The Awakening Councils are a transitional force that the GOI must deal with via a combination of absorbing a portion into Iraqi security forces and finding jobs for their members. The USG expects this to happen this year.

--We have pushed hard to improve the dynamic between PM Maliki and the governing council as the best mechanism to achieve national reconciliation. We have stressed the need for a common agenda and a determination to work together in a cohesive manner.

--Major change has occurred in recent weeks. The recently passed laws on amnesty, de-Ba'athification, and provincial governance required major deal-making among Iraqi leaders, took a long time, and was extremely difficult.

--A major problem still exists in passing a new hydrocarbon law. This is aggravated by mistrust between Kurds and Arabs, and we have told Mas'ud Barzani that he is going down the wrong road by concluding unilateral contracts with oil companies. Pending agreement on a national law, there must be a moratorium on such contracts. This is not the only complication, however, as the Iraqi government refuses to abandon the model of rigid central control over hydrocarbon extraction, refining, and distribution. This has dissuaded many foreign firms from investing to make up for decades of neglect of infrastructure.

--On provincial elections, a rapid movement forward would mark a dramatic advance in terms of achieving basic national reconciliation.

--The economic situation is improving, although the main barrier to reconstruction and other progress is Iraq's inability to apply its growing oil revenues to specific development projects.

--The critical U.S. goal in 2008 will be to replace the

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Chapter VII UN mandate for the multinational force with a bilateral status of forces agreement.

Engaging the Elysee

13. (C) Levitte on February 14 indicated that the French embassy in Baghdad was sending in similar analyses of the positively evolving situation. He said that the French -- and specifically President Sarkozy -- appreciate that this change was a direct result of the military successes stemming from the surge of U.S. forces. Levitte cited a recent high-level GOF strategy meeting on Afghanistan in which FM Kouchner opined that a solution would only be possible based on fostering political reconciliation among Afghan factions -- and not on a stronger military push. President Sarkozy took issue with the viewpoint, citing the success in Iraq that was directly attributable to military and security efforts. Levitte added that Sarkozy contended that NATO's failure to improve the military situation would risk overall failure and the population turning against NATO's presence.

14. (C) Levitte acknowledged that while the GOF's engagement with Iraq has been limited it remains ready to help. Unfortunately, this would not include readiness to host a meeting of the Iraq Compact for the time being. Satterfield noted our strong hope that France would agree to host the next meeting and asked whether that was the final position. Levitte replied that it was and explained that the GOF judged that taking on the Iraq Compact would risk an overload of French international commitments that could have an adverse political impact domestically. France will host a major donors conference on Afghanistan and will announce its intention to reinforce its military presence there. This will coincide with France moving forward on NATO along with a new commitment to ESDP. The Elysee anticipates these decisions will prompt debate about NATO and Afghanistan where there has been none before. Adding Iraq to the mix could tip the balance for a French public that has been largely quiescent on foreign policy.

15. (C) Satterfield expressed disappointment with the GOF's decision but appreciated Levitte's explanation of the overall context. He noted that we had heard from the MFA that its preference to host a meeting on national reconciliation was one of the main reasons for not agreeing to host the Compact meeting. Levitte demurred, stressing that while France had expressed its willingness to host such a conference, it had not made it a precondition to other engagement on Iraq. He repeated that the Compact is seen primarily as a U.S. initiative, and the GOF had no desire to see the debate in France turn in the wrong direction. Sarkozy continues to want to help with Iraq but hopes another European country would be willing to host the Compact meeting this time.

16. (C) Turning to other areas in which we hope France can help, Satterfield called on France to do more with Iraq's neighbors and to help with respect to humanitarian relief, improving Iraq's health care system, and with internally displaced persons. He provided Levitte an update of the paper he had left in late December on ideas about how France could play a significant role in Iraq. Satterfield pointed out, for example, that the rules governing the International Reconstruction Fund Facility for Iraq (IRFFI) have changed to allow donor countries to earmark their funds to accomplish specific goals. This could allow France to contribute for internally displaced persons, if that was what it would prefer to do. Satterfield referred to French and EU training in the legal and judicial fields to say we hope that France would seek to undertake more such activities in Iraq itself. The GOI would prefer this, and we could come up with creative proposals to make it happen. Returning to the need for greater regional support, Satterfield referred to President Bush's campaign to get Iraq's Sunni neighbors more involved and engaged with the GOI. French help with Iraq's neighbors would be greatly appreciated.

17. (C) Levitte mentioned that the French and U.S. presidents were in the Gulf region at the same time last month. None of the Gulf leaders with whom Sarkozy met wanted to discuss Iraq at length. Saudi King Abdallah did not raise Iraq or Iran and preferred to focus on Lebanon. Satterfield responded that we hope France will lend its important voice to promote closer engagement by Iraq's neighbors as France assumes the EU presidency, and he said we would welcome French assistance in the run up to the next neighbors ministerial in Kuwait in April.

18. (C) Levitte asked for U.S. views on Iran in the context of Iraq. Satterfield replied that this was a timely question in light of the last-minute cancellation of

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U.S./Iraqi/Iranian talks. We do not know what Tehran's calculation is, but Iran might be waiting for President Ahmadi-Nejad's upcoming visit to Iraq before proceeding with talks. Perhaps there is significant internal disagreement. Right now, it seems the Iranians are continuing the dialogue as a tactic but are refusing any real engagement. Levitted offered to ask the French embassy in Tehran for its analysis of Iranian motives. He added that France believes the Iranians see themselves as currently the dominant regional power and want to keep Iraq weak and to see U.S. forces in Iraq suffering. The French argue that real democracy taking root in Iraq would pose a threat to Iran's interests.

19. (U) As the meeting finished, Levitte provided a copy of the official French response to Satterfield's earlier paper. Embassy has transmitted a scanned copy of the text to the Department via e-mail.

Meetings at the MFA

110. (C) Satterfield, accompanied by visiting France deskoff Cervetti and poloff, met February 15 with acting NEA

A/S-equivalent Gilles Bonnaud, French inter-ministerial coordinator for Iraq reconstruction Xavier Roze, and French MFA Iraq desk officer Olivier Masseret. In addition to covering the core points in para 2, Satterfield praised UN special representative de Mistura's efforts to help defuse tension in the Kurdish areas. He also briefed the French on our interactions with Turkey over Turkish military operations against the PKK.

¶11. (C) Satterfield handed over a copy of the revised paper referred to in para 6 and noted that we had received a response to the earlier version. In response to Satterfield's observation that the GOF is not currently interested in hosting the next Iraq Compact meeting Bonnaud emphasized that France is not against the Compact but would prefer to see a more positive evolution of the political situation first. France is concerned that the Compact is too focused on economic and commercial elements. Iraq is not a poor country, and France did not want to risk having some Iraqi leaders manipulate international economic assistance for their personal enrichment. Bonnaud reiterated FM Kouchner's readiness to organize a national reconciliation conference along the lines of the Selle-Saint-Cloud conference of Lebanese leaders.

¶12. (C) Satterfield rejoined that neither the Iraqis nor we see hosting a national reconciliation conference as a priority. Of greater importance is support for Iraq's economy and diplomatic engagement with Iraq's neighbors. He repeated USG hopes that France would use its upcoming EU presidency to engage with Iraq's neighbors. Bonnaud responded that FM Kouchner is prepared to attend the neighbors conference set to occur in Kuwait this April. He offered France's analysis that Iran had interfered positively to cause Muqtada al-Sadr to show restraint but expressed concern that Iranian FM Mottaki's attendance at recently slain Hizballah leader 'Imad Mughniya's funeral in Beirut as a worrisome sign. Satterfield replied by offering our analysis that al-Sadr and other Jaysh al-Mahdi leaders had opted for a cease-fire in prudent acknowledgment that the GOI would stand up to it in future confrontation. Fissures within the movement were also a factor tending toward further restraint. Iran's motivations, however, were more difficult to read. According to Satterfield, Iran currently feels overconfident and is perhaps less interested than it had been in dialing back the activities of armed Iraqi groups over which it has influence.

¶13. (C) French inter-ministerial coordinator for Iraq reconstruction Roze asked about economic conditions in Iraq. The French analysis is that there are some signs of macroeconomic progress, but the provision of basic services and the economic wellbeing of individual Iraqis have not changed enough. Satterfield responded that food is plentiful but basic services have not kept pace. Electricity generation is up, but the demand is outstripping supply. The real challenge, Satterfield continued, is to ensure the security of power lines and to upgrade the transmission system and the infrastructure for delivering electricity to homes and businesses. For this, the Iraqis again have the money but need outside technical help. Satterfield linked these difficulties to the overall ill state of the hydrocarbon industry and infrastructure to refine and distribute fuels domestically.

¶14. (C) When Roze raised French problems with IRFFI funds, Satterfield referred to new rules that allow states to earmark their funds. When Roze linked security conditions to

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inefficiencies related to development projects, Satterfield countered that security is less the issue than weak Iraqi institutional capacity to spend its revenues and to build in a way that meets Iraq's real needs. This is why there is still a need for a transitional phase of international support despite the mounting reserve of funds from which Iraq

can draw. Returning to the Compact, Satterfield argued that its primary purposes -- forcing Iraq to abide by market forces as it undertakes economic reform and attracting foreign private sector and commercial investment -- were fully consistent with Iraq's economic needs.

¶15. (C) Bonnaud mentioned that the French embassy's branch office was operational. Satterfield said we will soon have a larger regional office of our own in Irbil and hope we can work together and provide any assistance the French operation might need.

¶16. (C) Satterfield, accompanied by polmincouns and poloff, met later the same day with FM Kouchner's special adviser for crises and conflicts, Eric Chevallier, who offered to discuss the French decision not to host the Compact once more with Kouchner. Chevallier was not optimistic, given concern about overload from all the other French-hosted meetings, but he agreed that hosting the Compact would be consistent with Kouchner's desire to help Iraq in some concrete way. (Note: Chevallier reported to us later tha he had raised the Compact again with Kouchner, who declined to reconsider the French position.) In response to Satterfield's other points about the inadvisability of a Selle-Saint-Cloud-type national reconciliation conference, our preference that France engage with Iraq's neighbors, and the new mechanism for earmarking IRFFI contributions, Chevallier said they were all "clear messages" that he would convey to Kouchner. He confirmed that Kouchner would attend the expanded Neighbors Conference to be held in Kuwait in April.

Nerac

¶17. (C) In his Elysee and MFA meetings, Satterfield informed his interlocutors that he would seek to get a written response to France's request for any information we had on the March 2003 disappearance of French video cameraman Frederic Nerac near Basra. He stated, however, that the answer was that we had no new information to supplement our earlier investigation. Levitte and Bonnaud expressed appreciation for this response and underscored the GOF's desire to close this file as much as it can for Nerac's widow.

¶18. (U) Following is the text of the updated paper Satterfield handed to the French:

Increasing French Involvement in Iraq
Updated from December 2007

Economic Assistance

--Host a ministerial meeting near May 4 to mark the one year anniversary of the International Compact with Iraq (ICI). The meeting is needed to focus high level international attention on the progress that Iraq is making toward meeting ICI goals and on the support that international donors are providing, all toward building momentum for achieving the Compact's long-term goals for economic self sufficiency, political reconciliation and peace and security. France participated actively in the preparations for the Compact. Although most of the specific goals laid out in the Compact are economic, the benefits for Iraq are more far reaching, including to develop government institutions and fight corruption in order to address deeper social and political issues. Hosting the event need not entail any additional financial commitment.

--Contribute at least \$10 million to one of the Iraq Trust Funds of the International Reconstruction Fund Facility for Iraq (IRFFI), thereby becoming a member of the IRFFI Donors Committee. France's contribution could be earmarked for pressing humanitarian or medical needs, which deserve funding even if reconciliation issues remain to be addressed. The next formal meeting of the Donors Committee will be in June in Baghdad. It will be preceded the day before by the first meeting of the Iraq Consultative Group (ICG)) the body that represents the international community on matters related to

implementation of the Compact. We want France to bring its leadership and support to efforts for international cooperation on behalf of Iraq.

--Encourage Iraq's remaining creditors to reach bilateral debt reduction agreements with the GOI: These countries include China, Jordan, Turkey, Egypt, Poland, Brazil,

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Algeria, Greece, Tunisia, Sudan, Morocco, Saudi Arabia, Kuwait, the UAE and Qatar. Russia recently joined Bulgaria and the former-Yugoslavia countries in agreeing to reduce Iraq's Saddam-era debts on terms that meet or exceed those of the Paris Club. France helped to bring this about and could do the same with other countries.

Health Sector

--Assist the KRG Ministry of Health and the Central Ministry of Health with regional health projects. This could include instituting action plans and preventative measures to combat the spread of cholera. Cholera remains endemic in the north and, although, the spread of the bacteria has slowed due to the cold weather, another outbreak is possible later this year. Avian flu preparedness is also critical in the north and public education campaigns that have proven helpful in the past should be consistently repeated. The KRG Ministry of Health has also been interested in Health and Wellbeing Programs (quitting smoking, maternal-child healthcare, and other preventive measures), as well as focusing on oncology issues.

--Provide medical support to refugee camps and IDPs in northern Iraq. The International Organization for Migration (IOM) is reporting that conditions for many IDPs throughout Iraq continue to be critical. Medical assistance to these people is critical, as many do not have access to healthcare services.

Rule of Law

--Help train judges and upgrade court infrastructure. The Iraqi legal system is Napoleonic, making French expertise invaluable for capacity-building assistance. Such training could address concerns over judicial corruption and increase the speed and effectiveness of legal proceedings.

--Develop youth diversion programming and provide training to Juvenile Police and Juvenile Court staff. The Iraqi juvenile justice system lacks the capacity to handle its burgeoning juvenile detainee population. Without system reform and capacity enhancement, juvenile detainees might have to be mixed with adult offenders.

--Sponsor a training program for the Iraqi security forces by the Gendarmerie. The GOI has requested that any future training occur inside Iraq. Training in northern Iraq could be a viable option. Training in-country is more cost-effective; increases the number of people who will benefit; and does not remove ISF personnel too far from where they might be needed. Concerns about militia infiltration of the ISF would be addressed by putting in place a system of vetting of those to be trained, as is the case for current programs run by others.

--Provide civil code drafting experts and other professionals to assist in the lawmaking process and help establish a legislative tracking system. Because the Shura Council is modeled after the Council of State in France and French universities have been leaders in the field of drafting legislation, the French would be well-positioned to provide assistance in this area. This could include technical and training assistance to the Shura Council and training seminars in legislative theory and methodology, i.e., drafting and analysis. Training by subject experts in areas such as taxation, oil and gas, revenue sharing,

constitutional law, and federalism would be particularly helpful. We are conducting an assessment of Shura Council needs and would be glad to share it once it is completed at the end of March.

Diplomatic Engagement

--Use France's position as local EU Presidency in 2008 to encourage a greater EU presence and involvement in Iraq (both as the Commission and as individual Member States).

--Encourage French to support UNAMI's efforts to carry out its expanded mandate. This need not necessarily be through the provision of specific funds, but could include the offer of a French expert to the UNAMI staff and humanitarian assistance with the upgrading of local emergency hospitals.

--Participate in upcoming meetings of the Expanded Neighbors, Ministerial and Working Groups and encourage regional states to make better use of the Neighbors mechanism. The next working group meetings are expected to take place in coming weeks. The next Ministerial meeting will take place in Kuwait on April 22, 23 or 24. France could attend Working Group meetings as an observer and use

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this and its attendance at the Ministerial to encourage regional states to make better use of the process.

--As EU Presidency, and in a national capacity, France could urge Arab countries to open Embassies/Consulates in Baghdad and elsewhere as a demonstration of their support for, and commitment to, a stable and prosperous Iraq.

--Support GOI efforts to peacefully reintegrate returning Iraqis and contribute to UN humanitarian appeals for Iraq.
--The displacement of two million Iraqis overseas and two million internally has humanitarian, political, security, and development implications, affecting regional and internal stability and the eventual reconstruction of Iraq. Efficient and peaceful integration of returning Iraqis will require the GOI to finalize a national policy as well as create a bottom-up strategy and put the infrastructure in place to carry out both. International humanitarian organizations have cautioned that conditions continue to be extremely harsh for many displaced Iraqis. France could contribute to the UN appeal for \$265 million launched on February 12.

End text of paper

19. (U) S/I Satterfield did not clear this cable.

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<http://www.state.sgov.gov/p/eur/paris/index.cfm>

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